

In the Claims

Claims 1-104 (canceled)

105. (currently amended) A computer-based system for use in issuing an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, comprising:

- (a) processor means for processing data;
- (b) means for storing data on a storage medium;
- ~~(a)~~(c) means for processing data regarding providing that the instrument's sensitivity to parameter changes incorporates, unconstrained by time, an agreement by the debtor and the creditor upon the principal size and the interest rate chosen from any possible combination or permutation of principal size and interest rate;
- ~~(b)~~(d) means for processing data regarding providing that the instrument's extension risk and credit risk, unconstrained by time, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates; ~~and~~
- ~~(e)~~(e) means for processing data regarding providing that any options in the subject market, unconstrained by time, are made explicit, priced, and used to correlatively adjust the principal size, the interest rate, and the payment timing of the underlying ~~obligation.~~ obligation; and
- (f) means for processing data regarding issuing the instrument.

Claim 106 (canceled)

107. (currently amended) The system of claim 105, further comprising means for processing data regarding pricing and capturing the value of the debtor's or the creditor's regulatory capital savings using the following equation:

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$$RCS_t = \left(\sum_{i=1}^{i=T} (((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \bar{R}_{f_i} / F)^{-i} / L_{ua_i}) \right) * 10000$$

where:

RCS is Risk Capital Savings;

L_{ua} is Unamortized Loan Balance: Monthly;

L_R Loan: Rate Accrual Mortgage variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

R_k is Contract Rate Discount Factor;

\bar{R}_{f_i} is Strike Rate Discount Factor;

F is Periodicity;

i is an incremental counter;

t is an initial time; and

T is a final time.

108. (currently amended) A computer-based method for use in issuing an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, comprising the steps of:

- (a) processing in a computer processor data regarding providing that the instrument's sensitivity to parameter changes incorporates, unconstrained by time, an agreement by the debtor and the creditor upon the principal size and the interest rate chosen from any possible combination or permutation of principal size and interest rate;
- (b) processing in the computer processor data regarding providing that the instrument's extension risk and credit risk, unconstrained by time, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates; ~~and~~

- (c) processing in the computer processor data regarding providing that any options in the subject market, unconstrained by time, are made explicit, priced, and used to correlatively adjust the principal size, the interest rate, and the payment timing of the underlying ~~obligation~~; obligation; and
- (d) processing in the computer processor data regarding issuing the instrument.

109. (currently amended) The computer-based method of claim 108, further comprising the step of processing in the computer processor data regarding pricing and capturing the value of the debtor's or the creditor's regulatory capital savings using the following equation:

$$RCS_i = \left(\sum_{i=1}^{i=T} (((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \bar{R}_{f_i} / F)^{-i} / L_{ua_i}) \right) * 10000$$

where:

RCS is Risk Capital Savings;

L_{ua} is Unamortized Loan Balance: Monthly;

L_R Loan: Rate Accrual Mortgage variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

R_k is Contract Rate Discount Factor;

\bar{R}_{f_i} is Strike Rate Discount Factor;

F is Periodicity;

i is an incremental counter;

t is an initial time; and

T is a final time.

110. (new) A medium storing instructions adapted to be executed by a computer processor to perform a method for use in issuing an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, the method comprising:

- (a) providing that the instrument's sensitivity to parameter changes incorporates, unconstrained by time, an agreement by the debtor and the creditor upon the principal size and the interest rate chosen from any possible combination or permutation of principal size and interest rate;
- (b) providing that the instrument's extension risk and credit risk, unconstrained by time, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates;
- (c) providing that any options in the subject market, unconstrained by time, are made explicit, priced, and used to correlatively adjust the principal size, the interest rate, and the payment timing of the underlying obligation; and
- (d) processing data regarding issuing the instrument.

111. (new) The medium of claim 110, the method further comprising pricing and capturing the value of the debtor's or the creditor's regulatory capital savings using the following equation:

$$RCS_i = \left(\sum_{i=1}^{i=T} (((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \bar{R}_{f_i} / F)^{-i} / L_{ua_i}) \right) * 10000$$

where:

RCS is Risk Capital Savings;

L_{ua} is Unamortized Loan Balance: Monthly;

L_R Loan: Rate Accrual Mortgage variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

R_k is Contract Rate Discount Factor;

\bar{R}_{f_t} is Strike Rate Discount Factor;

F is Periodicity;

i is an incremental counter;

t is an initial time; and

T is a final time.